

Condominium Conversion Update
Research Summary
Las Vegas City Council
January 12, 2006

- In 2005, Las Vegas was one of the top 10 markets in the United States for condominium conversions and according to Marcus & Millichap Research Services, Greater Las Vegas accounted for 7% of the national condominium market. This market share compares to Los Angeles which accounted for 8% and San Diego which encompassed 22% of the national market.
- In the city of Las Vegas, condominium conversions have been apartment to condominium conversions. In the cities of Reno and San Francisco, many conversions are hotel/motel to condominium. In Reno, apartments accounted for less than 45% of converted units.
- In Phoenix, a city in which condominiums traditionally accounted for a very low percentage of housing, 4,200 units were converted in the first half of 2005.
- In Henderson, 440 units were approved for conversion between June, 2004 and June, 2005. Between June, 2005 and November, 2005, an additional 3,521 units were approved.
- According to PMA, in their Las Vegas Valley conversion projects, an average of 6% of units were purchased by tenants and 39% were purchased by investors who returned the units to the rental market.
- In December 818 condo conversions were listed as available for rent in the MLS. It is estimated that MLS listings account for roughly half of the condos available for rent in the marketplace. In 2005 (through December 20, 2005), 2699 units were listed for the year.
- While condominium conversions reduce the overall rental supply, competition is actually increased as each unit is now competing with every other unit for tenants. Some units in 2005 rented for as much as \$245 below list price according to the MLS, with many units being reduced between \$20 and \$100 from list price.

Status Report on Condominium Conversion Text Amendment
Las Vegas City Council
January 18, 2006

- A comparison of similar ordinances were carefully examined for requirements in the following categories:
 - Tenants Rights
 - Preservation of Low and Moderate Income Housing
 - Information required on maps, special use permits, other submittals or in buyer packets.
- City ordinances included in the research included:
 - San Francisco
 - Los Angeles
 - San Diego
 - Oakland
 - Salt Lake City
 - Denver
 - Reno
 - Henderson
 - Sparks
- A panel of industry representatives representing builders and developers, attorneys, trade associations and condominium community management companies to analyze the proposed text amendment.
- The panel met twice to discuss the proposal item by item.
- Following the meetings a representative of the group, Tabitha Keetch of KKBR&F, wrote up the suggested changes and delivered them to the Planning and Development Department.
- Many changes were agreed upon by the city and representatives of the development community.
- In addition, two condominium management firms, RMI and PMA provided significant market research to assist staff in understanding the secondary rental market created by condominium conversions.
- Planning staff with assistance from the City Attorney's office revised the proposal based upon their research and the feedback received from the industry representatives.
- The content of the text amendment was agreed upon by both parties with the exception of the concept of the Special Use Permit requirement. City staff believes it is important that the use be part of the discretionary decision made by the City Council, while the private sector believe a Site Development Review is adequate.
- The revised Text Amendment was presented to Planning Commission on January 12, 2006 as TXT-10689.

Condo Conversion Data 1/1/04 - 1/3/06

Ward	Units with SDR Issued	Council Approved Conversion Units	Final Map Units Submitted	Apartments	Condos	Total Apt/Condo Units
1	648	504	504	13,321	2,121	15442
2	3,072	1,840	944	6,557	7,438	13995
3	56	56	0	8,322	1,518	9840
4	1,961	1,961	1,325	4,532	3,961	8493
5	516	516	300	11,336	1,675	13011
6	2,124	1,500	1,032	6,104	3,397	9501
Total Units	8,377	6,377	4,105	50,172	20,110	70,282

*Prepared By Planning & Development, City of Las Vegas

**Due to Continuous Development activity, this data is for reference only

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TMP	Approved	UNITS	NAME	PARCEL	WARD	FMP	Approved	SDR	Approved
TMP-6089	04/14/05 PC	144	Vista Del Ray	162-02-202-010	1			SDR-8032	
		504	Canyon Lake	163-05-315-045; 163-05-410-001	1	FMP-9248		SDR-6017	04/06/05 CC
Ward 1 Total		648							
		404	Palms at Peccole Ranch	163-06-510-001	2			SDR-8987	
		350	Talavera Condominiums	163-06-710-003	2			SDR-10988	
TMP-6165	05/12/05 PC	448	Sunrise Meadows @ The Lakes	163-08-601-005	2			SDR-6057	05/04/05 CC
		448	Sunset Breeze @ The Lakes	163-08-601-005	2			SDR-6058	05/04/05 CC
TMP-4839	08/26/04 PC	280	Altessa at The Vistas	137-26-310-001	2	FMP-5872		CRG-1180	07/08/04 CRG
TMP-5494	12/02/04 PC	256	St. Croix Apartments	138-26-414-000	2	FMP-5772	06/06/05	SDR-5314	12/01/04 CC
		138	Pirates Cove Condos	138-27-401-001; 002; 003	2			SDR-10480	
		248	Angel Park Condominiums	138-28-401-001; 002; 005	2			SDR-9675	
TMP-5570	01/27/05 PC	408	Verano Condominiums @ Peccole Ranch	138-32-819-000	2	FMP-6147	05/11/05	SDR-5452	01/05/05 CC
		92	Malibu Canyon Condos	138-33-401-014	2			SDR-10483	
Ward 2 Total		3,072							
TMP-9631		56	Saratoga Palms	140-32-103-001	3			SDR-7318	09/07/05 CC
Ward 3 Total		56							
TMP-5537	03/10/05 PC	98	Willows @ Lone Mountain West	137-01-401-010	4			SDR-5519	03/02/05 CC
TMP-4729	08/12/04 PC	371	Chateau Versailles Condominiums	137-01-414-000	4	FMP-5243	01/03/05	SDR-4625	07/22/04 PC
TMP-3993	04/08/04 PC	142	Cambria Condominiums	137-12-516-000; 138-07-113-000	4	FMP-4960	12/09/04	SDR-2534	01/21/04 CC
TMP-5536	01/27/05 PC	98	Willows @ Lone Mountain	138-07-301-001	4			SDR-5518	01/19/05 CC
TMP-5593	01/13/05 PC	388	The Boulders	138-07-301-002; 008; 009; 138-07-401-002	4	FMP-6052		SDR-5493	01/05/05 CC
TMP-6092	03/24/05 PC	424	Broadstone at Desert Shores	138-16-110-001	4	FMP-8151	10/11/05	SDR-5890	03/16/05 CC
TMP-7375	08/11/05 PC	440	Kings Crossing	138-22-601-001; 002; 003	4			SDR-5883	03/16/05 CC
Ward 4 Total		1,961							
TMP-3720	02/26/04 PC	300	Rancho Lake Condominiums	139-19-612-000	5	FMP-4052	06/23/04	Z-0096-00	06/05/02 CC
TMP-6492	05/26/05 PC	216	San Michele Condominiums	138-24-215-005	5			SDR-5943	04/06/05 CC
Ward 5 Total		516							
TMP-5695	01/13/05 PC	376	Grand Canyon Village Condominiums	125-07-715-000	6	FMP-6016	05/10/05	SDR-5382	11/18/04 PC
TMP-6396		280	The Orchid	138-14-301-001	6			SDR-6066	03/10/05 PC
TMP-3994	04/08/04 PC	320	Mountain Creek	138-15-811-000	6	FMP-4470	10/08/04	SDR-4125	04/08/04 PC
TMP-3792	03/11/04 PC	336	Grand View Condominiums	125-18-114-000	6	FMP-4847	08/24/05	SDR-2928	11/19/03 CC
TMP-5538	03/10/05 PC	188	Willows @ Town Center	125-20-301-022	6			SDR-5517	03/02/05 CC
		312	Eagle Crest Phase II	125-27-302-006	6			SDR-10200	
		312	Eagle Crest Phase I	125-27-302-007	6			SDR-10199	
Ward 6 Total		2,124							

TOTAL 8,377

	<u>Tenant Purchase</u>	<u>Investor Ratio</u>
Carlisle Ryness Group Summerlin 363-5535 10250 N. Covington Cross	7%	38%
Chateau Versailles Creative Sales & Marketing Northwest 360-3167 10550 W. Alexander	8%	18%
Copper Palms Premier Marketing Northwest 365-0072 1150 N. Buffalo		
Desert Shores Villas Coldwell Banker Northwest 242-6173 3151 Soaring Gulls Dr.		
Grand Canyon Residential Resources Northwest 395-3200 8250 N. Grand Canyon	10%	70%
Isla at South Shores Ryness Group Northwest 240-7711 2120 Jetty Rock Dr.	8%	50%
Marquesa Tailored Marketing Northwest 228-9555 7200 Pirates Cove		
Park 1 Creative Sales & Marketing West 386-7275 8600 W. Charleston Blvd.	3%	30%
Villa Del Sol Ryness Group Northwest 562-0033 2801 N. Rainbow Blvd.	0%	30%
	<u>6%</u>	<u>39%</u>

Submitted at City Council

Date 1/18/06 Item #49

City of Las Vegas Available Rentals



Las Vegas Rentals from MLXChange

<u>Zip Code</u>	<u>Available</u>	<u>Leased (last 12mo)</u>
89101	10	24
89102	15	54
89104	5	46
89106	18	62
89107	13	51
89108	79	296
89110	19	95
89117	90	401
89128	122	426
89129	136	516
89130	68	199
89131	88	348
89134	82	324
89138	66	190
89143	44	127
89144	77	285
89145	48	164
89146	19	49
89149	93	313
89166	12	53
	<hr/> 1104	<hr/> 4023
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*Information from the MLX Change 2005.12.9